

● PSF

C.F. Justice Dept.

October 20, 1938.

B.F.  
Gustave

10-13  
18-4  
25-9  
1661

My dear Mr. President:

At the last Cabinet meeting you designated me as Chairman of a Committee to inquire into the so-called espionage situation. As I stated at that time, there is already a well defined system which is functioning as well as present funds permit. It is made up of three groups, the Military Intelligence Division, the Office of Naval Intelligence, and the Federal Bureau of Investigation of the Department of Justice. The heads of these divisions are in frequent contact and are operating in harmony. M.I.D. is represented by Admiral Holmes, O.N.I. is represented by Colonel McCabe, and F.B.I. is represented by Mr. J. Edgar Hoover.

At my request Mr. Hoover, after consultation with the others named, prepared the enclosed memorandum. You will note that O.N.I. has already requested from the Budget an additional appropriation for domestic intelligence amounting to \$39,000. M.I.D. has not apparently made any request of the Budget for an additional appropriation. They do desire, however, an increase of \$35,000. F.B.I. has made no request of the Budget, but if you would like to have us put on about fifty additional men for service along the lines indicated in the memorandum, we would need an additional appropriation of \$300,000. No additional legislation to accomplish the general objectives seems to be required.

In my judgment, the matter should be handled in strict confidence, and it strikes me that if you would tell the Bureau of the Budget to approve of the request of O.N.I. and also increase the M.I.D. appropriation by \$35,000, and increase the F.B.I. appropriation by \$300,000, no further immediate steps would be required.

I have talked to Secretary Woodring and Assistant Secretary Edison on the telephone. They approve of my sending the enclosed memorandum to you, and they would be glad to have the additional funds. I have not thus far drawn any others into the discussions for the reasons outlined in the memorandum.

In my judgment, the question of continuity in service is highly important. Of course this does not affect the F.B.I. where continuity already exists. It is urgent, however, in the other Departments and is a problem which should be worked out as soon as possible.

It was my understanding that it was your immediate desire to get some action with reference to proposed appropriations, and I am therefore submitting my suggestions on that subject so that they may be before you at the earliest possible moment.

Sincerely yours,

The President,  
The White House.

(a.r.)

THE WHITE HOUSE  
WASHINGTON

~~CONFIDENTIAL~~

October 25, 1938.

MEMORANDUM FOR  
THE ACTING DIRECTOR OF THE BUDGET

x79

Will you speak to me  
about this?

F. D. R.

July 8, 1942

C.F.  
Justice

x10      Respectfully referred to the  
Attorney General. For your information,  
I am attaching a copy of my reply to Mr.  
Eaton.

STEPHEN EARLY  
Secretary to the President

Letter to the President, 7/3/42, from (Sent into Mr. Early "STE to reply to")

Mr. Cyrus S. Eaton, x P.P.F. 5344  
Terminal Tower,  
Cleveland, Ohio.

x34      Claims there are officials who are close to  
Wall Street in the War and Navy Depts.; the behavior  
of the stock market indicates they are making personal  
use of advance information coming to their attention  
by virtue of their high government position.

Sent by Messenger  
Important + Confidential //

RR:cb

July 8, 1948

Dear Mr. Eaton:

The President has received your note of July third. The indications outlined by you in this note will be immediately called to the attention of the Department of Justice. I assure you an investigation will be undertaken at once by the appropriate officials of that department.

It was good of you to write as you did and I assure you of the President's warm appreciation.

Very sincerely yours,

STEPHEN EARLY  
Secretary to the President

Mr. Cyrus S. Eaton,  
Terminal Tower,  
Cleveland, Ohio.

RR:cb

ATTORNEY GENERAL: Claims there are officials who are close to War and Navy Depts.; the behavior of the stock market indicates they are making personal use of advance information coming to their attention by virtue of their high government position.

AR HOOVER  
DIRECTOR



Federal Bureau of Investigation  
United States Department of Justice  
Washington, D. C.

JUL 27 1942

PERSONAL AND [REDACTED]  
SPECIAL MESSENGER

Honorable Stephen Early  
Secretary to the President  
The White House  
Washington, D. C.

Dear Steve:

I am in receipt by reference from the Attorney General of your note of July 8, 1942, transmitting the letter dated July 3, 1942, addressed to the President by Mr. Cyrus S. Eaton, Terminal Tower, Cleveland, Ohio, in which Mr. Eaton commented concerning the possible personal use of advance information coming into the possession of officials of the War and Navy Departments in stock market speculation. I have also received from the Attorney General a copy of your acknowledgement to Mr. Eaton dated July 8, 1942, in which you advised him this matter had been called to the attention of the Department of Justice.

I thought that the President and you would be interested to know that I have made arrangements to have Mr. Eaton interviewed by a representative from our Cleveland Office for complete details concerning the subject matter of his letter. You may be sure that appropriate attention will be given the information furnished by Mr. Eaton, and I shall advise you of any aspects deemed of interest.

With assurances of my highest regards,

Sincerely yours,

*Adger* x 10-B

J. HOOVER  
DIRECTOR



Federal Bureau of Investigation  
United States Department of Justice  
Washington, D. C.

AUG 29 1942

PERSONAL AND [REDACTED]  
SPECIAL MESSENGER

Honorable Stephen Early  
Secretary to the President  
The White House  
Washington, D. C.

Dear Steve:

In accordance with the request which your secretary communicated to my office today, I am returning herewith the letter addressed to the President by Mr. Cyrus S. Eaton of Cleveland, Ohio, under date of July 3, 1942.

The above mentioned letter was forwarded to the Attorney General by you and, in turn, transmitted to me by the Attorney General. You will recall that in my letter of the 25th instant I informed you as to the results of the interview had with Mr. Eaton.

With assurances of my highest regards,

Sincerely yours,

A handwritten signature in cursive script, appearing to read "Edgar", is written below the typed name.

Inclosure

*STE  
to reply to*

CYRUS S. EATON  
TERMINAL TOWER  
CLEVELAND, OHIO

July 3, 1942

*ack.  
7-8  
cl*

THE WHITE HOUSE  
JUL 6 9 03 PM '42  
RECEIVED

Dear Mr. President:

Any member of the general public who wants to know how the war is going can find out a lot quicker by watching the stock market than by reading the newspapers. As a rule, the market is at least 24 or 48 hours ahead of the newspapers on the course of a battle, whether it is taking place in the Coral Sea or in Egypt.

There are officials who are close to Wall Street in both the War Department and the Navy Department. The behavior of the stock market indicates that they are making personal use of advance information coming to their attention by virtue of their high government position. If this is true, we are on the verge of a scandal that will rock the nation.

Sincerely yours,

*Cyrus Eaton*

Hon. Franklin D. Roosevelt  
President of the United States  
Washington, D. C.

FEDERAL BUREAU OF INVESTIGATION  
JUL 15 1942  
U. S. DEPARTMENT OF JUSTICE

J. EDGAR HOOVER  
DIRECTOR



Federal Bureau of Investigation  
United States Department of Justice  
Washington, D. C.

AUG 25 1942

PERSONAL AND [REDACTED]  
BY SPECIAL MESSENGER

Honorable Stephen Early  
Secretary to the President  
The White House  
Washington, D. C.

Dear Steve:

As you will recall, you recently referred to this Bureau a letter addressed to the President by Mr. Cyrus S. Eaton, Cleveland, Ohio, in which he stated that the behavior of the stock market indicates certain officials in the War and Navy Departments who are close to Wall Street are making personal use of advance information coming to their attention by virtue of their high Government positions.

I thought the President and you would be interested in knowing that Mr. Eaton was thoroughly interviewed relative to his allegations, at which time he stated these allegations were based on his knowledge of the stock market gained through years of experience and study and were not based on any specific information as to the acts of any one or any group of individuals. He stated it had been his observation that the stock market had been strong when there was no apparent reason for it and then again it would fall off without any apparent reason. It was his opinion that these fluctuations were evidently based on facts known to some individuals but not generally known to the public and that these known facts were either Allied victories or defeats.

✓ In view of Mr. Eaton's inability to be more specific in his allegations, this matter is not being pursued further by this Bureau unless the President desires otherwise.

With assurances of my highest regards,

Sincerely yours,

A handwritten signature in cursive script, appearing to read "J. Edgar Hoover", is written below the typed name.

September 1, 1942

My dear Mr. Secretary:

Cyrus S. Eaton, of Cleveland, Ohio, wrote the President on July third. His letter was promptly referred to the Attorney General who in turn laid it before Mr. J. Edgar Hoover, Chief of the Bureau of Investigation, Department of Justice, for investigation.

I feel that I should give you, for your information and consideration, a copy of Mr. Eaton's letter to the President and a copy of Mr. Hoover's personal and confidential reply which he addressed to me on August twenty-fifth.

Very sincerely yours,

STEPHEN EARLY  
Secretary to the President

Honorable Henry L. Stimson,  
Secretary of War,  
Washington, D. C.

STE:aw

Enclosures. Copies of letters referred to above.

September 1, 1942

My dear Mr. Secretary:

Cyrus S. Eaton, of Cleveland, Ohio, wrote the President on July third. His letter was promptly referred to the Attorney General who in turn laid it before Mr. J. Edgar Hoover, Chief of the Bureau of Investigation, Department of Justice, for investigation.

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Very sincerely yours,

STEPHEN EARLY  
Secretary to the President

Honorable Frank Knox,  
Secretary of the Navy,  
Washington, D. C.

Enclosures.

STE:aw

COPY

CYRUS S. EATON  
Terminal Tower  
Cleveland, Ohio

July 3, 1942

Dear Mr. President:

Any member of the general public who wants to know how the war is going can find out a lot quicker by watching the stock market than by reading the newspapers. As a rule, the market is at least 24 or 48 hours ahead of the newspapers on the course of a battle, whether it is taking place in the Coral Sea or in Egypt.

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Sincerely yours,

/s/ CYRUS EATON

Hon. Franklin D. Roosevelt  
President of the United States  
Washington, D. C.

THE SECRETARY OF THE NAVY  
WASHINGTON

September 2, 1942

file  
SIE

①

My dear Steve:

Thank you for sending me the copies of the correspondence with Mr. Eaton and Mr. Hoover's reply to you. This is a pretty good illustration of the way extravagant charges are made without the slightest basis except conjecture.

Man is a funny animal. Ain't it so!

Sincerely yours,

Frank

Mr. Stephen Early  
The White House  
Washington, D. C.

THE WHITE HOUSE  
WASHINGTON

September 16, 1943

*B.F. Justice*

PERSONAL AND CONFIDENTIAL //

MEMORANDUM FOR: The Attorney General. *x10*

The attached is self-explanatory.  
Will you speak to me about it at your early  
convenience?

M. H. McINTYRE  
Secretary to the President

Letter from John White Johnston, P.O. Box 475,  
Rochester, N. Y.; September 10, 1943; re  
financial institution using duress in the signing  
of releases immediately after the reading of  
bogus wills, etc.

*Mem for Mac + the A.G. - from the P. 9/14/43*  
*"To handle this."* *MMH/B/EAK*

*x230*  
*x117*

*C. F.  
Justice*

October 18, 1943.

Dear Mr. Johnston:

Your letter to me of September tenth was received and I just want you to know that we are having the matter about which you wrote looked into.

Very sincerely yours,

Grace G. Tully  
Private Secretary

John White Johnston,<sup>\*</sup> Esq.,  
Rochester,  
New York.



Office of the Attorney General  
Washington, D.C. 25

October 14, 1943

Dear Miss Tully:

I return the letter addressed to you by  
Mr. John White Johnston, together with a memorandum  
made by the Federal Bureau of Investigation as a result of this communication. *x10-73*

Sincerely yours,

A handwritten signature in cursive script, appearing to read "Francis Biddle".

Francis Biddle  
Attorney General *x10*

Miss Grace Tully  
The White House

October 11, 1943

Re: JOHN WHITE JOHNSTON

Mr. Johnston, a resident at 8 Arnold Park, Rochester, New York, since September, 1916, is approximately 65 years of age, a Harvard graduate and a friend of Mrs. Eleanor Roosevelt, according to his own statements.

The files of the Bureau indicate that Mr. Johnston is in the nature of a chronic correspondent, having addressed six communications to the Bureau since December, 1937, as well as one to Mr. Stephen T. Early. As a result, he has in the past been interviewed by the Bureau and the Office of Naval Intelligence, but no specific information of value was obtained. It appears that Mr. Johnston is highly prejudiced against any person of German extraction. He has said that he attended Harvard from 1903 to 1905, being one class behind President Roosevelt and was director of the Harvard University band during 1904. He has at all times indicated his admiration for the President and has mentioned receiving "hand-signed letters" from the President and Mrs. Roosevelt and Miss Tully. His daughter, Mary, has been a patient at the Warm Springs Sanitarium and he has stated that reports concerning her have been forwarded to him by Mrs. Roosevelt.

His father founded the Rochester department store known as Sibley, Lindsay and Curr. His brother, Louis W. Johnston, is president of this company while John White Johnston is one of the largest stockholders with an unlimited income. The entire family is well respected. Mr. Johnston is well known in public circles and is considered responsible and intelligent, although somewhat eccentric. His wife is Constance G. Johnston, and in addition to the above mentioned daughter they have one son.

When approached for an interview, Mr. Johnston gave the Special Agent a warm reception and incidentally advised that he had written to Mr. John Edgar Hoover regarding points similar to those raised in his letter to the President's personal secretary. With respect to the banking situation, Mr. Johnston informed that the Security Trust Company at which he banks is taking advantage of him and his estate and is possibly in defalcation. He indicated that the bank may be guilty of certain underhanded paper transfers of funds, and in view of the possible existence of a violation of the National Bank Act Mr. Johnston and his attorney are being interviewed to obtain complete details.

Mr. Johnston had a few points in mind relative to security matters, including information from his informant that certain individuals are endeavoring to encourage inactivity among the employees at the Gleason Works

in Rochester and information that numerous Irish employees of the Rochester Railway and Signal Works are anti-British and are cooperating with a certain German element. Further inquiries are being made concerning Mr. Johnston's allegation that employees of the Rochester Rail and Signal Works are cooperating with a certain German element. It is observed that Mr. Johnston complained about similar matters as long ago as 1941.

Mr  
JOHN WHITE JOHNSTON  
ROCHESTER, N. Y.

Miss Grace Tully,  
Personal Secretary to the  
President of the United States,  
White House,  
Washington, D. C.

September  
10,  
1943

My dear Miss Tully:-

You will be most kind to remember me to the Commander-in-Chief of the Army and the Navy of the United States of America; and to convey to him my Sincere Congratulations on the capitulation of Italy.

As you know, I have never failed to vote, nor to use my influence, for the election, and the reëlection of Franklin Delano Roosevelt, ever since he became a Candidate for the Governorship of the State of New York. I hasten to assure you that if the President "chooses to run" - to borrow the reverse of the classic answer of the late President Coolidge to an inquiry, it will be a pleasure for me to cooperate, to the best of my ability, in every sense of the word, for the reelection of President Roosevelt, for a Fourth Term.

In conveying my congratulations and respects to the President, may I add that if he will send to my Study, on the Ground Floor of 292 Andrews Street, a Confidential Agent, preferably a graduate of Harvard College, and one who studied at the Harvard Law School, I will not only be glad to forward my check for the round trip ticket of the President's Confidential Agent; but will have the Confidential Agent of the President as my guest, in this city, without publicity of any kind.

Having profoundly admired the leadership of the President, not only as Commander-in-Chief of the Army and the Navy of the United States; but in leading the Supreme Court of the United States into "pastures new", I am in possession of facts relating to the strongest financial institution of this city and vicinity, where I have several fortunes in Trust Funds, which, I am sure, the President will be glad to have, as these facts will afford the President with a glorious opportunity to announce, and to promulgate, a National Law relating to Duress being prevented on the signing of releases, immediately after the reading of bogus wills; but will also bring to justice unscrupulous attorneys, in the employ of very strong financial institutions, who employ Duress in the securing of releases from public litigation and newspaper publicity.

As the President and you are, doubtless, aware, guilty individuals, as well as guilty institutions, will get in touch with the President, personally, or through duly appointed representatives, in advance of the facts of the case being known to the President, in order that they might "steal a march", or poultice their guilty conscience.

In conclusion, may I assure you, and hope that you will assure the President, that I do not know of a single official of the strongest financial institution here to have favored the President with his vote, or support, on any previous election.

Most sincerely and respectfully,

(Post Office Box 475.)

John White Johnston

John J. Hogan, Sec'y.

*L. F. Justice*

October 15, 1943.

Dear Mr. Johnston:

Thank you for your letter of October fifth. I am sure the President would be interested in hearing the story to which you refer and if you would like to send it along, I shall see that it reaches him.

Very sincerely yours,

Grace G. Tully  
Private Secretary

John White Johnston, Esq.,  
Post Office Box 475,  
Rochester, New York.

JOHN WHITE JOHNSTON  
POST OFFICE BOX 475  
ROCHESTER N. Y.

Miss Grace Tully,  
Personal Secretary to the President of the United States,  
White House,  
Washington, D. C.

October  
5,  
1943

My dear Miss Tully:-

As you know, I am in favor of the present President of the United States continuing for a Fourth Term, "and then some."

I have just heard a most interesting Story, which relates to the difference between the leadership of Moses, who led the Children of Israel out of Egypt into the Promised Land; and Franklin Delano Roosevelt's address to the people of the United States of America.

In conveying my respects to the President, please inquire, from him, if he has heard this Story, which has a Biblical, and a modern, significance.

Thanking you, again, for your assurance that you did not believe that the President would be offended in seeing a photograph of him, on the Football Team composed of Presidents of the United States, as Harvard had two Roosevelts on that team; and I believe there were other Harvard Men among the substitutes.

Assuring you that if the President has not heard this Story, with respect to Moses leading the Children of Israel into the Promised Land, I am sure that he will greatly enjoy this Story; and I believe that you, with your inborn Irish love of wit and humor, will, also, enjoy the Story, as my Secretary, Mr. Hogan, has had a good laugh with me, as I have dictated this letter to him.

Sincerely and respectfully,

*John White Johnston*

(Harvard College, '05)

JWJ:H

x4166 Proj

JOHN WHITE JOHNSTON  
ROCHESTER, N.Y.

*file*

Grace G. Tully, Private Secretary,  
The White House,  
Washington, D. C.

October  
26,  
1943

Dear Miss Tully:-

Needless to say, my Private Secretary, Mr. John J. Hogan, and I are very happy to have your letters, dated October 15th and October 18th.

Please rest assured that Mr. Hogan and I will carefully consider the answer to your gracious letters; and, I assure you that it is our opinion that both you and the President will be greatly interested in the facts, which I will, gladly, explain, in detail, in case the President would prefer to have these facts in writing, from me; rather than to send a Harvard College Graduate, who also studied at the Harvard Law School, as a Confidential Agent from the President, entirely at my expense, and as my guest, while in this city.

However, within the next few days, you will receive the comparison between the Biblical Moses, who led his people out of bondage to the Promised Land; and the present Leader of the people of the United States of America, who, as the attached article indicates, has been the Leader of the people of the United States of America, IN THE PROMISED LAND, for the past 12 years.

Very sincerely and respectfully,

*John White Johnston*

JWJ:H

(Post Office Box 475.)

[CF: Justice]

Att. 9116/43

**I BELIEVE** the most talented president in the history of these United States; the man whose New Deal shocked a despaired, post-depression people into the reality of struggle for self-respect, is Franklin D. Roosevelt.

He has stood for the people in housing, slum clearance, agriculture, banking system, while government aid was given to the jobless. Roosevelt's enormous TVA project has benefited landowners throughout the entire Tennessee Valley.

And as commander-in-chief of the American Armies, this historic figure has not flinched in duty to man, to country, nor to liberty.

This is America where public servants are tried before their severest critics — the American people.

President Roosevelt has stood the test for nearly 12 years, years during which, American children 12 years and under have known only peace and security.

JOHN EDGAR HOOVER  
DIRECTOR

Federal Bureau of Investigation  
United States Department of Justice  
Washington, D. C.

December 2, 1944

PERSONAL AND ~~CONFIDENTIAL~~  
BY SPECIAL MESSENGER

Honorable William D. Hassett  
Secretary to the President  
The White House  
Washington, D. C.

My dear Mr. Hassett:

Pursuant to the telephonic request of  
Miss Leila Stiles today, there are attached hereto  
brief summaries of available information relating  
to the Axis Victims League, Inc., and the Pan-  
Rhodian Society. X X

A search of the files of this Bureau  
on the basis of the identifying data submitted has  
failed to locate any identifiable information con-  
cerning the Ekaterinoslaver Unt. Verein.

With assurances of my highest regards,

Sincerely yours,

J. Edgar Hoover  
x10-B

Enclosure

Originally filed in PSF:CF Justice. Misfiled in DF10.  
Returned to CF Justice, 9-19-75 RHP

December 2, 1944

AXIS VICTIMS LEAGUE, INC.

The Axis Victims League, Inc., was organized in 1943, is existing under the laws of the State of New York, and has its temporary headquarters at 6 East 61st Street, New York, New York. It is described as "an association for restitution and compensation of rights and interests to Axis victims".

Dr. Bruno Weil,<sup>x</sup> President of the organization, in expressing the ultimate goal of the League, stated at the second round-table conference of the League held on January 17, 1944, at the Hotel Pierre, New York City, "This is a group of independent people of different nationalities, creeds and professions, united by the idea that the conscience of mankind demands the punishment of the terroristic activities and atrocities committed by the Axis powers and their satellites - punishment and reparation."

"This League would like to try in a very modest and humble way to help the Government of the United States and its allies to appear at the next peace conference with all the material available in the matter of reparation and compensation to Axis victims. It is necessary to collect all facts and figures by which the crimes and wrongful deeds of the totalitarian countries against individuals or groups can be proved."

To accomplish these aims and purposes, Dr. Weil in League literature pointed out, "We must try to reach a satisfactory solution of the so important question of reparations, not only in order to compensate the Axis victims but also because a reorganization of the disturbed European and Asiatic economic systems is a sine qua non for a lasting peace and the re-establishment of democratic life in all countries concerned."

As a preliminary to the formation of this organization, Dr. Weil in the fall of 1943 was reportedly contacting numerous prominent Jewish people in the United States for the purpose of forming a committee for the purposes above enumerated.

The officers of the Axis Victims League, Inc., are as follows:

|                    |  |                        |
|--------------------|--|------------------------|
| Honorary Chairmen: | Dr. Ricardo J. Alfaro  | Prof. Carl Neuberg     |
|                    | Dr. Henry A. Atkinson  | Prof. James H. Sheldon |
|                    | Sylvan Gotshal   | William M. Vermilye    |
| Executive Board:   | President - Dr. Bruno Weil   |                        |
|                    | Vice Presidents - Dr. Fremont A. Higgins and<br>Borris M. Komar    |                        |
|                    | Secretaries - Jacob S. Chalot and Dr. Adolf Hamburger              |                        |
|                    | Treasurers - Paul E. Marxov, Robert D. Steefel<br>and Fritz Moses. |                        |

December 2, 1944

PAN-RHODIAN SOCIETY

The Pan-Rhodian Society is known to have existed since at least 1928 and has chapters in various American localities. It has been described as "anti-Fascist".

It has been reported that the purpose of the Pan-Rhodian Society is the sending of money to the Island of Rhodes to aid churches and schools there. Other available information reflects that a further purpose of the Society is to send in protests to the United States, English and French Governments concerning the maltreatment of Greeks in the Dodecanese Islands by the Italians.